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SUBJECT: TURNBULL OFF TO A GOOD START AS OPPOSITION LEADER

REF: A) CANBERRA 956 B) CANBERRA 1020

11. (SBU) SUMMARY: In the first Newspann that measured Malcolm Turnbull's performance as Opposition Leader, voters gave him a satisfaction rating of 50 percent, 10 points higher than former Leader Brendan Nelson's top of 40 percent and nine points better than Kevin Rudd when he first became Opposition Leader. However, those satisfied with Prime Minister Kevin Rudd also grew, from 50 percent in September (ref A) to 56 in October. Rudd leads Turnbull on the question of better prime minister, 54-26 percent, and the Australian Labor Party (ALP) would beat the Liberal-National Coalition by 10 points if an election were held tomorrow. Political commentators attributed the good polling results for both men to the cooperative spirit they have shown in responding to the financial crisis in the United States and Europe. Turnbull, the experienced investment banker, will be hoping to continue to capitalize on voter economic anxiety. Rudd, on the other hand, has seized the initiative on the economy, providing insurance for bank deposits and other confidence-building measures, and announcing October 13 a AUD \$10.4 billion stimulus package to protect economic growth. END SUMMARY

12. (U) On October 14, "the Australian" newspaper published its latest Newspann, which surveyed voters on October 10-12, a weekend of turmoil and sharp declines on the world's financial markets. This was also Malcolm Turnbull's first poll as Opposition Leader. The Australian reported that the economic turmoil and Rudd's and Turnbull's bipartisan response had lifted the approval ratings for both men. Public satisfaction with Rudd improved from 50 in September's Newspann to 56 today, and its dissatisfaction dropped from 37 percent to 32. Turnbull recorded a higher initial approval rating than the last five Opposition Leaders, 50 percent, which was ten points higher than his predecessor Brendan Nelson's highest rating and nine points higher than Kevin Rudd when he became Leader of the ALP and Opposition Leader in December 2006.

13. (U) While Turnbull has started strongly as Opposition Leader, Rudd leads on the question of preferred prime minister 54-26 percent. This is better than the 62-16 gulf that separated Rudd and Nelson but still a big gap for Turnbull to make up. According to the latest Newspann, if an election were held tomorrow, the ALP would beat the Coalition by ten points: 55-45. This is only a one percent improvement over the ALP's theoretical margin of victory when Nelson was still Opposition Leader.

14. (SBU) COMMENT: While the public appears to favor Malcolm Turnbull over Brendan Nelson, it clearly likes Kevin Rudd better than either Liberal Party leader. Turnbull has been stressing his and his party's strong record of economic management, and he has made suggestions (government purchase of good-quality Australian mortgage-backed securities and the insurance of deposits) that have been adopted by the Government. PM Rudd, however, has done a good job seizing

the initiative on the economy. On Sunday, after a week of bad economic news ending in "Black Friday" on the Australian stock market (ref B), Rudd announced all savings deposits would be insured by the federal government. He also said the Government would guarantee loans by Australian banks from international capital markets and he doubled the size of the mortgage-backed security buyback program. On Monday, as the Australian stock market rallied, Turnbull continued to back the Government's moves and Rudd worked to calm the financial markets by announcing a AUD \$10.5 billion stimulus package (septel).

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